

Governor's State Workforce Investment Board Apprenticeship Advisory Committee

**State Capitol Building, Room 152, Helena, Montana
August 30, 2006**

DRAFT MINUTES

BOARD MEMBERS PRESENT: Mike O'Neill, Chairman; Jane Baker; Arlene Becker; Lane Larson; Tom McKenna; Jason Miller; and Arlene Parisot.

BOARD MEMBERS ABSENT: Kirk Hammerquist; Jacquie Helt; and Con Sullivan.

STAFF: Chris Wilhelm, Roy Symons, and Mary Eve Pietrukowicz.

GUESTS: Keith Allen; Mary Berg; Mark Cadwallader; Jack Fish; Dan Flynn; Don Herzog; Jerry Laughery; Jim McGarvey; Linda Moodry; Margaret Morgan; Jay Reardon; and Pam Watson.

Welcome and Introductions

Chairman Mike O'Neill called the meeting to order at 1:37 p.m., stating Karen Fried has resigned from the committee and a new member search is underway. He welcomed the committee, staff and the public. Chris Wilhelm introduced Mary Eve Pietrukowicz, conducted roll call, announced a quorum, and reviewed the documents in members' packets and housekeeping rules. She discussed the SWIB website's new appearance, recently converted to the Governor's "common look and feel". The site's new address is www.swib.mt.gov, and Ms. Wilhelm will be maintaining it from now on. She stated the newsletter has been revised to a bi-monthly publication.

Chairman O'Neill requested and received consensus to relax *Robert's Rules of Order*.

Approval of Agenda

Mr. Lane requested COT be placed on the next agenda. The agenda was approved by consensus.

Approval of Meeting Minutes- June 8, 2006

Chairman O'Neill requested a motion to approve the June 8, 2006 meeting minutes. Tom McKenna moved to approve, and Jane Baker seconded. Ms. Wilhelm stated Jerry Laughery of the Montana Contractor's Association had called her to clarify his comments in the minutes regarding promotion and marketing. He cannot poll his association's members but would be able to market by word of mouth. Chairman O'Neill stated these remarks will be noted in the current meeting's minutes and asked for additional public comments. There were none. The minutes were approved by consensus as amended.

Agenda Discussion Items

Status Report of Lineman's Pre-Apprenticeship Training Program in Butte

Chairman O'Neill discussed the pre-apprenticeship training program. The planning group held their most recent meeting at the College of Technology, hosted by Jane Baker. At that meeting, Chairman O'Neill reported on survey results which he also provided the Apprenticeship Advisory Committee. The survey was sent to utilities, cooperatives,

contractors, and others in the industry to gauge their apprenticeship needs in the next ten years. The results indicated:

- An industry need for 37-45 apprentices in each of the next 10 years, clearly illustrating the need for the pre-apprenticeship program.
- The industry's positive response to donating equipment - like line trucks, cable, transformers – to aide instruction.
- The industry's willingness to finance scholarships, especially for local students.

The pre-apprenticeship program meeting also discussed the planned curriculum. A second survey is in the field to receive industry's feedback on topics to be covered in the 576 hours of instruction per semester, as well as amount of time the industry would like to see given to the various topics.

Chairman O'Neill emphasized the pre-apprenticeship program is being designed to prepare students for apprenticeship, not to replace apprenticeship programs.

He also stated the planning group is requesting interested parties meet with the College of Technology representatives, and develop the "nuts and bolts" of the daily curriculum. Several volunteers have expressed interest in helping with this. The group's next meeting is scheduled for October, at which time all of the second survey's results should be available. That meeting will work on tailoring the pre-apprenticeship curriculum: which topics the courses will cover, specific content in these courses, and number of hours devoted to each topic.

Chairman O'Neill pointed out some members of the school's planning group were present: Jane Baker, Dan Flynn and Don Herzog. Ms. Baker stated the MOU is helpful. Chairman O'Neill said he is excited about the group's progress, commitment, and willingness to work through difficult issues. He thanked the College of Technology, especially Ms. Baker and Mr. Love, for their own willingness to meet the industry's needs.

Registration Agency Update

Roy Symons, representing the Apprenticeship Program, stated 1313 apprentices were registered, predominantly in construction occupations. One hundred-forty-eight apprentices have completed training this calendar year.

Mr. Symons then reported on Mr. Maki's attendance at the summer NASTAD conference of state registration agencies, where one topic was the registration of non-traditional workers. For instance, of Montana's 1313 registered apprentices, 94, or seven percent, are women; and minority participation of five percent is just below the state's census demographic for this group. Montana's figures are good, compared to other states.

Mr. Symons explained the cyclical nature of registrations and compliance. The Apprenticeship and Training Program begins its school year round of informational and career day presentations and shows in the fall; Darryl Holzer recently went to Havre to do the first of these presentations for this school year. Mr. Maki requested Mr. Symons convey a need for a marketing and promotion position within the Apprenticeship and Training Program. The promoter would market to schools and businesses not traditionally involved with apprentices, and even conduct cold calls.

Mr. Symons distributed copies of the annual wage survey mentioned at the committee's June 8, 2006 meeting. The survey is conducted every summer before session. It is an actual hard count based on the beginning third year rate for each JATC and non-union independently sponsored apprentice in the program's system. Mr. Symons reviewed the information contained in the annual wage survey.

Mr. Symons stated the state's new prevailing wage rate and rules go into effect October 1st, 2006, changing the base wage rate and wage progression for newly registered apprentices. Sponsors have been receiving notifications periodically and have been contacted one-on-one. He further explained apprenticeship agreements are registered with the conditions of that apprenticeship. If a new condition arises, the existing agreement does not necessarily change to reflect it. Such agreement changes as a wage rate increase are changed under rule based on the Prevailing Wage Rate. The October 1st rate change affects new apprentices. Some resistance may appear after October 1st. Discussion ensued regarding differential in wage rates, and the implications for smaller communities.

Don Herzog, IBEW, suggested the average rate for start of 3rd year apprentices on the annual wage summary appeared high. Mr. Symons replied his office had contacted Mr. Herzog's JATC to obtain the figure, 70% of the journeyman rate, which actually had decreased from a few years ago. The average wage is based on what the 1,308 apprentices wage information as of June 30, 2006.

Apprenticeship Administrative Rule

Chairman O'Neill welcomed Department of Labor and Industry staff attorney Mike Cadwallader to the table to advise the committee of an administrative rule change. He discussed two documents:

- Cover letter from Mr. Maki to apprenticeship sponsors, apprising them of the proposed amendment of ARM 24.21.411.
- Notice of Public Hearing, which has been filed with the Secretary of State and is going to print August 31st. It will also be published September 7th, 2006, in the *Montana Administrative Register*. Federal regulation has given rise to the new rule. The Notice of Public Hearing addresses two items:
 - 1) An existing rule proposed for amendment.
 - 2) An existing rule proposed for repeal.

Both items have an October 1st, 2006 effective date. The bulk of the rule notice is New Rule 1 at the top of page 2.

Mr. Cadwallader gave the background for the rule change. In order for the Department of Labor and Industry to be recognized as the state's registration agency by the U.S. Department of Labor, it must meet extensive federal requirements. The last audit indicated Montana does not have a rule that implements sub-section 10 of the rule. If someone proposes to register a new apprenticeship type with the Department of Labor and Industry that affects existing apprenticeship programs' relationship with the state, notice must be given to any affected labor organization to allow it to comment. The Department then must take into account such comments before making its decision.

The public hearing on this will be held in Helena on Sept 29th, 2006, and written comment in letter or electronic form will be accepted through October 6th. After this period, the Department will summarize the public comment and announce its action.

Federally Apprentice-able Trades Not Utilized in Montana

Ms. Wilhelm began by stating both this committee and the Healthcare Taskforce consider similar issues, honing in on the apprentice-able trades not being utilized in Montana. Earlier discussion assumed these trades were not apprentice-able, but this is not the case. Ms. Wilhelm initially looked at the high growth industries being marketed by the U.S. Department of Labor's Office of Apprenticeship, locating five high growth industries that are worth monitoring for their potential impact in Montana's WIRED region: healthcare, retail, bio- and information technologies, and automotive.

She also has looked at USDOL's 25 "hot" careers, ten of which are apprentice-able in the state, for instance, childcare, maintenance, carpentry and construction. Montana cannot apprentice the other 15 careers, because they require higher degrees than the Apprenticeship Program can currently accommodate, e.g., registered nurses. However, according to the *Strengthening Our Nation's Workforce* handout that she located on the USDOL website, healthcare jobs are the logical focus. Of the 48 federally apprentice-able healthcare-related fields, Montana is utilizing only one: Pharmacy Technician-Level III. The remaining 47 fields remain as other opportunities, if the state can find willing employers and meet apprenticeship criteria.

Discussion ensued regarding specific healthcare fields, the direction the committee wished staff to take this project. Other areas discussed were certifying more people than needed, the status or certification upon completion, transferability, and the viability of licensing upon program completion. Chairman O'Neill suggested the committee identify occupations into which it is difficult to recruit and then retain workers. Start with the list of 48 federally apprentice-able healthcare-related fields and find the ones with high demand but low utilization. The Apprenticeship Committee can be helpful finding ways to encourage apprenticeships in those areas, using the pre-apprenticeship lineman school as a model.

It was decided to focus on health care fields at this time due to the parallel interest of the Healthcare Task Force, and the work already being done by the task force to identify shortages and needs. Chairman O'Neill asked members to contact Ms. Wilhelm with other occupations they think need to be addressed, based on their personal observations. Mr. McKenna suggested starting with the primary economic forces in Montana: agriculture, mining, timber, construction, recreation, and healthcare.

Mr. Symons summarized that some apprentice-able occupations can be drawn from the national list for use in Montana if employer sponsors can be found. Other occupations on the list do not meet Montana's current ARMs establishing licensing requirements for apprenticeships in those occupations. Chairman O'Neill stated this re-visits Mr. Maki's wish list for both sponsors as well as enrollees. He requested Mr. Symons ask Mr. Maki whether he is attempting to get additional staffing from the state budget for the next biennium, and what specific action he wants from the Apprenticeship Committee.

Apprenticeship MOU Update

Ms. Wilhelm obtained the last of the Apprenticeship MOU signatures last week, and is working with Mark Maki to include labor organizations relevant at this general program development level. While collecting the signatures, Ms. Wilhelm received requested changes (i.e., clarifications) from Arlene Parisot, which she reviewed in the draft presented at the meeting. Mr. Larson moved to keep paragraph 5.4.1's original language, and Jason Miller seconded. Members discussed the requested changes for

paragraph 5.4.1 of the section, *Program Development Process*. Dan Flynn, IBEW 44, and expressed concern over the effect the new wording would have on Labor's existing role in apprenticeship programs. Mr. Larson concurred. Five members voted to retain paragraph 5.4.1's original text, two voted against, and one abstained. The motion carried.

Mr. Larson questioned the proposed change to paragraph 6.1 of section, *Impasse Resolution*, which struck the sentence reporting a continuing impasse to the Governor's Office and U.S. Secretary of Labor. Mr. Larson pointed out the Governor is the person ultimately responsible for the way state money is spent. Ms. Parisot stated she had received comments from several Montana University staff, which she represents on the committee, regarding the "heavy-handedness" contained in the stricken sentence. Jason Miller moved to re-insert the first part of this sentence in paragraph 6.1, keeping the reporting of impasses to the Governor's Office. Mr. McKenna seconded, and the motion carried unanimously.

Mr. McKenna moved to approve the remaining amendments to the draft Apprenticeship MOU, and Mr. Larson seconded. The motion to recommend the remaining modified document to the full SWIB carried unanimously.

Committee Projects for the Next Meeting

Chairman O'Neill requested Mr. Symons or Mr. Maki bring issues that they plan to propose to the Legislature, such as marketing, to the next Apprenticeship Committee meeting. The committee members would like guidance regarding how they can help with the process. Ms. Wilhelm added she would like the next meeting to address:

- Continued research on the coordination of COTs to avoid duplication of future programs.
- Identification of strategies to engage more employers in apprenticeship and training programs.
- Identification of federally apprentice-able trades for further research in Montana.

Mr. Miller reiterated what he had said in the previous meeting: much expertise exists regarding colleges of technology and apprenticeship programs working well together in other states. Mr. Miller suggested the committee utilize these models of collaboration, because some of the unease expressed by parties in Montana may be due to not knowing about such examples. Questions to ask other states would include how the state program evolved, and how did it overcome challenges. Mr. Miller ended by saying problems are solvable if the process includes all parties.

Mr. McKenna asked about progress from the last meeting regarding requesting funds from the full SWIB for marketing and promotion. Chairman O'Neill replied such a request will require specific proposals from Mr. Maki that the committee can then present to the full SWIB and potentially to the Legislature.

VIII. Next Meeting

Holding the next meeting in conjunction with the next SWIB meeting was discussed, as was the possibility of a conference call if a need for legislation arose. Ms. Wilhelm will speak with Mr. Maki and schedule a conference call date in September or October.

Adjournment

Having no further business, the meeting was adjourned at 3:30 p.m.